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GOVERNMENT OF INDIA  
MINISTRY OF WORKS MINES AND POWER

NOTIFICATIONS

*New Delhi, the 18th October 1949*

**No. M.II-155(24)-1.**—In exercise of the powers conferred by sub-section (3) of section 1 of the Mines and Minerals (Regulation and Development) Act, 1948 (LIII of 1948), the Central Government is pleased to appoint the twenty-fifth day of October, 1949, as the date on which the said Act shall come into force.

M MALHOTRA, Asstt. Secy.

*New Delhi, the 18th October 1949*

**No. M.II-155(24)-2.**—In exercise of the powers conferred by Section 5 of the Mines and Minerals (Regulation and Development) Act, 1948, the Central Government is pleased to make the following rules for regulating the grant of prospecting licenses and mining leases for minerals other petroleum and natural gas, namely,—

## THE MINERAL CONCESSION RULES, 1949

## CHAPTER I

## General

1 (i) These rules may be called the Mineral Concession Rules, Short title and commencement.

(ii) These rules shall come into force on the twenty-fifth day of October, 1949.

2 Nothing in these rules shall affect the provisions of the Mining Act, 1948.

3. In these rules, unless there is anything repugnant in the subject or context—

(i) "Indian citizen" means any individual who is either a British subject domiciled in India, or the Ruler or subject of an Accession State;

- (ii) "mining lease" means a lease to mine, quarry, bore, dig and search for, win, work and carry away any mineral specified therein;
- (iii) "minor mineral" means building stone, boulder, shingle, gravel, limestone and kankar used for lime burning, murrum, brick-earth, ordinary clay, ordinary sand, and road metal,
- (iv) "private person" means a person other than Government;
- (v) "prospecting license" means a license to search for any mineral specified therein, by quarrying, boring and digging or otherwise;
- (vi) "Provincial Government" includes the Government of an Acceding State to which these rules apply and all references to a Province shall be construed as references also to such Acceding State;
- (vii) "railway" and "Railway Administration" have the meanings respectively assigned to them in the Indian Railways Act, 1890.

**Exemption.**

4. These rules shall not apply to minor minerals, the extraction of which shall be regulated by such rules as the Provincial Government may prescribe.

**CHAPTER II**

**Certificate of Approval**

**Grant of certificate of approval.**

Persons to whom Certificate may be granted.

5. A certificate of approval shall be granted only by a Provincial Government.

6. A certificate of approval may be granted to any person who, in the opinion of the Provincial Government, is in a position to employ an efficient prospecting agency, or possesses special knowledge of geology or mining:

Provided that, if such person is a Company or firm, it shall be registered or incorporated in India.

**Application for certificate of approval.**

7. An application for the grant or renewal of a certificate of approval shall be submitted to the Provincial Government, and the former shall contain the following particulars:—

- (a) (i) If the applicant is an individual, his name, nationality, profession and residence, and
- (ii) if the applicant is a company, syndicate, partnership or private firm, its name, nature and place of business, place of registration or incorporation; and
- (b) A statement showing the technical qualifications and mining experience of the applicant, and his Manager, if any, and such other particulars as may be necessary to satisfy the

Provincial Government of the competence of the applicant to hold the certificate.

8. A certificate of approval shall be valid for the whole of the Province and shall cover all minerals except petroleum and natural gas unless the Provincial Government, with the prior approval of the Central Government, restricts it to any specified mineral or minerals. **Restricted certificate.**

9. (1) A certificate of approval shall have effect from the date on which it is granted and shall expire at midnight on the 31st December next following. **Period of certificate of approval.**

Provided that a certificate issued in the last quarter of the year shall be valid until the 31st December of the year next following.

(2) Only one person shall be named in the certificate and the fee payable for the grant thereof shall be Rs. 100.

10. A certificate of approval may be renewed on payment of a fee of Rs. 50 if the application for renewal is received within 3 months from the date of expiry of the certificate. After the expiry of three months no renewal shall be granted but an application for a fresh certificate may be made. **Renewal of certificate of approval.**

11. The name and address of the person to whom a certificate of approval has been granted or renewed shall be published by the Provincial Government in the Official Gazette. **Notification of grant of certificate of approval.**

12. The expiry of a certificate of approval shall not affect the validity of a license or lease already granted to the holder of such certificate or the right of the holder of a prospecting license to apply for or obtain a mine lease under these rules. **Holder of a mine lease need not re-apply for his certificate.**

### CHAPTER III

#### Grant of Prospecting License in respect of land in which the minerals belong to Government

13. (1) No prospecting license shall be granted to any person unless he holds a certificate of approval from the Provincial Government concerned and if he is an individual other than an Indian citizen he must obtain the prior approval of the Central Government has been obtained. **Restrictions on grant of prospecting licenses.**

(2) No prospecting license shall be granted in respect of any such mineral or class of minerals as the Central Government may, by order, recommend to the Provincial Government concerned, specifying the whole or a part of the Province as may be specified in the order.

(3) No prospecting license for any mineral specified in Schedule IV shall be granted except with the approval of the Central Government.

**Application  
for prospecting  
license.**

14. An application for a prospecting license shall, in case of land in which the minerals belong to Government, be made to the Provincial Government concerned and shall contain the following particulars:—

- (a) (i) If the applicant is an individual, his name, nationality, profession and residence, and
- (ii) if the applicant is a company, syndicate, partnership or private firm, its name, nature and place of business and place of registration or incorporation,
- (b) The number and date of the notification of the grant or renewal of the certificate of approval of the applicant;
- (c) A description, illustrated by a map or plan showing as accurately as possible the situation, boundaries and area of the land in respect of which the license is required;
- (d) The period for which the prospecting license is required; and
- (e) The mineral or minerals for which the applicant intends to prospect.

**Applica-  
tion fee**

15. The application shall be accompanied by a fee of Rs. 50 for the first square mile and Rs. 10 for each additional square mile or part thereof.

**Aknow-  
ledgment of  
application.**

16. On receipt of the application the receiving officer shall note thereon the date and time of its receipt, and shall give to the applicant an acknowledgment stating the date and time of receipt.

**Provincial  
Government  
may grant  
or refuse a  
license.**

17. (1) Subject to the provisions of Rule 13, the Provincial Government may grant or refuse the license.

(2) In case of refusal, intimation of the same shall be given to the applicant in writing and the fee paid under rule 15 shall be refunded.

**Priority.**

18. If more than one application regarding the same land is received, preference shall be given to the application received first, unless the Provincial Government, for any special reason, and with the prior approval of the Central Government decides to the contrary.

**Security  
deposit.**

19. The applicant shall, before the license is issued to him, deposit as security a sum of Rs. 100 for each square mile or part thereof covered by the license, for due observance of the terms and conditions of the license.

**Register of  
prospecting  
licensee.**

20. A register of prospecting licenses shall be maintained by the Provincial Government, specifying.—

- (1) Serial Number;
- (2) Name of the applicant;

- (3) Residence of the applicant;
- (4) Date and number of certificate of approval granted to the applicant;
- (5) Date of application;
- (6) Situation and boundaries of the land;
- (7) Estimated total area;
- (8) The mineral or minerals which the applicant desires to prospect for;
- (9) Date of grant of the license;
- (10) Period for which granted, renewed or extended;
- (11) Application fee paid;
- (12) Prospecting fee and royalty if payable,
- (13) Amount of security deposit;
- (14) Particulars of disposal or refund of security deposit;
- (15) Date of assignment or transfer of the license if any, and fees paid therefor and the names of the parties thereto;
- (16) Date of application for mining lease (if any).

21. The register shall be open to inspection by any holder of a valid certificate of approval or his duly authorised agent on payment of such fee as the Provincial Government may fix.

22. (1) Except for mica, the period for which a prospecting license may be granted shall not exceed two years. If at the end of this period the Provincial Government is satisfied that a longer period is required to enable the licensee to complete the prospecting, it may renew the license for one or more further periods not exceeding one year each, but subject to a total period of four years from the date of commencement of the original license. In the case of mica, the term for which a prospecting license may be granted shall not exceed one year, but the Provincial Government may renew it for a further period not exceeding one year.

Period of grant or renewal of a prospecting license.

(2) If the licensee, before the termination of the period of his license, applies for the grant of a mining lease the period shall be further extended till the mining lease is granted.

23. (1) Every prospecting license shall include the following conditions:—

Conditions of a prospecting license.

(i) The licensee shall pay such prospecting fee as may be fixed by the Provincial Government, not less than two annas and not more than one rupee per acre of the land covered by the license, for each year or portion of a year of the period for which the license is granted or renewed.

(ii) In the case of minerals other than gold, silver, precious stones or mica, the license shall not confer upon the licensee a right to win or carry away the minerals for commercial purposes:

Provided that he may carry away—

- (a) any quantity within the limits specified in the Second Schedule without any payment, and

(b) any quantity exceeding such limits, which is incidental to prospecting, on payment of royalty at the rates specified in the First Schedule.

(iii) In case of gold, silver, precious stones or mica the licensee may carry away any quantity won during the course of prospecting on payment of royalty specified in the First Schedule.

(iv) The licensee may, with the previous sanction of the Provincial Government, transfer his license or any right or interest therein to a person holding a certificate of approval on payment to the Provincial Government of a fee of Rs. 100.

(v) Save in the case of land over which the licensee is granted a mining lease, he shall, within six months next after the determination of the license or the date of abandonment of the undertaking whichever is earlier, securely plug all holes and fill up or fence all excavations in the land covered by the license.

(vi) In case of breach by the licensee or his transferee or assignee of any one of the conditions of his license, the Provincial Government may cancel the license or forfeit, in whole or part, the deposit made by the licensee under rule 19.

(2) A prospecting license may contain such other conditions, as the Provincial Government may deem fit, including the following:—

- (i) Time and place of payment of the fee;
- (ii) Compensation for damage to land in respect of which license has been granted;
- (iii) Indemnity to Government against the claim of a third party for any damage, injury or disturbance caused to him by the licensee;
- (iv) Restrictions regarding felling of trees on unoccupied and unreserved Government land;
- (v) Restrictions on prospecting operations in an area prohibited by any competent authority;
- (vi) Operations in a reserved or protected forest;
- (vii) Conditions regarding entry on occupied land;
- (viii) Forfeiture of property left after determination of license;
- (ix) Power to take possession of plant, machinery and premises in the event of war or emergency.

**Right to mining lease.**

24. On or before the determination of his license, the licensee shall have a right to a mining lease or leases over the whole or part of the area covered by the license, in accordance with the rules in force governing such leases at the time of the grant of the license.

**Report of information obtained by licensee.**

25. The licensee shall, before the deposit made under rule 19 is returned to him, submit confidentially to the Provincial Government a full report of the work done by him, and disclose all information acquired in the course of the operations carried on under the license, regarding the geology and mineral resources of the area covered by the license.

#### CHAPTER IV

#### Grant of Mining Lease in respect of land in which the minerals belong to Government

**Restrictions on grant of mining leases**

26 (1) No mining lease shall be granted to any person unless he holds a certificate of approval from the Provincial Government concerned or is covered by Rule 12, and if he is an individual other than an Indian citizen, unless the prior approval of the Central Government has also been obtained.

(2) No mining lease shall be granted in respect of any such mineral or class of minerals as the Central Government may, by order communicated to the Provincial Government concerned, specify, either throughout, or in such part of the Province as may be specified in the order.

(3) No mining lease for any mineral specified in Schedule IV shall be granted except with the prior approval of the Central Government.

27. An application for a mining lease, shall, in case of land in which the minerals belong to Government, be made to the Provincial Government concerned, and shall contain the following particulars— **Application for mining lease.**

- (a) (i) If the applicant is an individual, his name, nationality, profession and residence, and
- (ii) if the applicant is a company, syndicate, partnership or private firm, its name, nature and place of business and place of registration or incorporation;
- (b) The number and date of the notification of the grant or renewal of certificate of approval of the applicant;
- (c) A description, illustrated by a map or plan, showing as accurately as possible the situation, boundaries and area of the land in respect of which the lease is required;
- (d) The mineral or minerals which the applicant intends to mine;
- (e) The areas and minerals within the jurisdiction of the Provincial Government for which the applicant or any person joint in interest with him already holds a mining lease;
- (f) If the applicant holds a prospecting license for the area applied for, the number and date of such license;
- (g) The period for which the lease is required;
- (h) The industry, if any, which the applicant proposes to develop, and the location of such industry.

28. The application shall be accompanied by a fee of Rs. 200. If the Provincial Government refuses to grant the lease applied for or if the applicant refuses to accept the lease on account of any special condition imposed therein under sub-rule (3) of rule 41, the fee shall be refunded. **Application**

29. With the application, the applicant shall deposit for meeting the preliminary expenses such sum, not exceeding Rs. 500, as the Provincial Government may determine. **Deposit for preliminary expenses.**

30. When a mining lease is granted by the Provincial Government, arrangements shall be made at the expense of the lessee for the survey and demarcation of the area granted under the lease. **Survey of the area leased.**

31. On receipt of the application, the receiving officer shall note thereon the date and time of its receipt, and shall give to the applicant an acknowledgment stating the date and time of receipt. **Acknowledgment of application.**

32. If more than one application regarding the same land is received, preference shall be given to the application received first, unless the Provincial Government, for any special reason, and with the prior approval of the Central Government decides to the contrary. **Priority**

33. A register of mining leases shall be maintained by the Provincial Government specifying, as far as may be, the particulars specified in rule 20. **Register of mining leases.**

**Inspection  
of register.**

34. The register shall be open to inspection by any holder of a certificate of approval of a prospecting license or a mining lease or his duly authorised agent, on payment of such fee as the Provincial Government may fix.

**Area  
mining  
lease.**

35. Where the applicant applies direct for a mining lease under rule 56, it may be granted for such area as the Provincial Government deems fit. Where the applicant has a right to a mining lease under rule 24, the lease shall cover the whole or such part of the land covered by the prospecting license as the applicant may desire but the Provincial Government may, for any special reason, and with the prior approval of the Central Government, reduce the area, or exclude a portion therefrom:

Provided that no lessee, by himself or with any person joint in interest with him, shall hold, in the aggregate, more than 10 square miles under lease in respect of one mineral or related group of minerals within the Province:

Provided further that at the time of renewal of the lease, the lessee shall be entitled to surrender any part of the leased area.

**Security  
deposit.**

36. The applicant shall, before the lease is issued, deposit as security a sum of Rs. 1,000 in case of metalliferous minerals and Rs. 500 in case of other minerals, for due observance of the terms and conditions of the lease.

**Transfer of  
lease.**

37. The lessee may, with the previous sanction of the Provincial Government and subject to the conditions specified in the first proviso to rule 55 and in rule 38, transfer his lease or any right or interest therein, to a person holding a certificate of approval on payment of a fee of Rs. 100 to the Provincial Government.

**Length and  
breadth of  
area leased.**

38. The length of an area held under a mining lease shall not exceed four times its breadth:

Provided that, in the case of coal, the length shall not exceed twice the breadth and the area leased or sub-leased shall not be less than 100 acres:

Provided further that the Provincial Government may in any particular case relax the provisions of this rule.

**Boundaries  
below the  
surface.**

39. The boundaries of the area covered by a mining lease shall run vertically downwards below the surface towards the centre of the earth.

**Period of  
lease.**

40. (1) The period for which a mining lease may be granted shall be 30 years in the case of iron-ore and bauxite for manufacture of aluminium, and 20 years in the case of any other minerals, unless the applicant himself asks for a shorter period. The lease shall be renewable at the option of the lessee, for one or two periods, each not exceeding the duration of the original lease, in the case of iron-ore and bauxite for manufacture of aluminium, and one period not exceeding the duration of the original lease in the case of other minerals.

(2) When renewal is granted—

- (i) royalty and surface rent shall be charged at the rates in force at the time of the renewal; and
- (ii) dead rent shall be charged at such rate as the Provincial Government may fix within the limits specified in the Third Schedule in force at the time of the renewals.